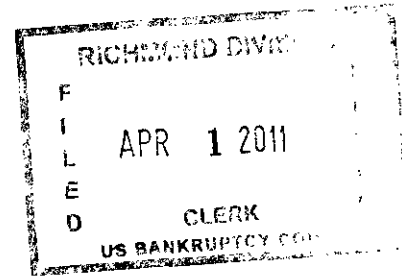


William H. Ryan, Jr.
Acting Attorney General

Robert C. Edmundson
Senior Deputy Attorney General
Office of Attorney General
564 Forbes Avenue
Pittsburgh, PA 15219
(412) 565-2575
PA Attorney I.D. # 23533
Attorneys for the
Commonwealth of Pennsylvania,
Pennsylvania Department of Revenue



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

IN RE:)	Bankruptcy Case No. 08-35653 (KRH)
)	
CIRCUIT CITY STORES, INC., et al)	
Debtors)	Chapter 11
)	
)	Jointly Administered
)	

**RESPONSE BY THE COMMONWEALTH OF PENNSYLVANIA, PENNSYLVANIA
DEPARTMENT OF REVENUE TO THE LIQUIDATING TRUSTS EIGHTEENTH
OMNIBUS OBJECTION TO CLAIMS FILED BY TAXING AUTHORITIES**

AND NOW, comes the Commonwealth of Pennsylvania, Pennsylvania Department of Revenue by its Counsel, Senior Deputy Attorney General, Robert C. Edmundson, Office of Attorney General, and makes the following statement in support of its *Response to the Liquidating Trusts Eighteenth Omnibus Objection to Claims filed by Taxing Authorities*

Jurisdiction and Venue

1. Admitted.

Background

2-18. Admitted

Objections to Claim

21-30. Paragraphs 21 through 30 do not pertain to the claims filed by the Pennsylvania Department of Revenue and no response is required.

F. Disallowance or reduction of certain invalid claims.

31-32. Claim numbers 9162 (Patapsco Designs Inc.) and 9305 (Circuit City Purchasing Company, LLC) have been withdrawn by the Pennsylvania Department of Revenue and no claims are asserted against these entities at this time.

G. Fixing the amount of certain claims.

33-34. Claim 13033 – (Circuit City Stores) asserts a priority claim of \$6,266.00 and an unsecured claim of \$303.00 which arise from an underpayment of Pennsylvania Foreign Franchise Tax for tax year ending 02/06.

By way of a specific Response, the Debtor reported its consolidated net worth as \$1,913,501,405 on its 2006 corporate tax returns. The net worth was increased by the Commonwealth to \$1,954,633,000 as the latter amount represents the Debtor's consolidated net worth as stated on its Annual Report. The increase in the net worth resulted in an additional tax claim of \$5,316.00, interest of \$950.00 and a penalty of \$303.00 (A true and correct copy of the assessment notice which sets forth the tax liability is attached hereto, made a part hereof, and marked Commonwealth's Exhibit A).

Reservation of Rights

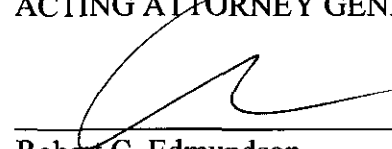
35-40. Paragraphs 35 through 40 are admitted.

WHEREFORE, the Commonwealth of Pennsylvania, Pennsylvania Department of Revenue, respectfully requests that its claim 13033 be allowed as a priority claim of \$6,266.00 and as an unsecured claim of \$303.00.

Respectfully submitted,

WILLIAM H. RYAN, JR.
ACTING ATTORNEY GENERAL

By:



Robert C. Edmundson
Senior Deputy Attorney General
Office of Attorney General
Manor Complex
564 Forbes Avenue
Pittsburgh, PA 15219
(412) 565-2575
PA Attorney I.D. # 23533

BUREAU OF CORPORATION TAXES
PO BOX 280703
HARRISBURG PA 17128-0703

Commonwealth of Pennsylvania
DEPARTMENT OF REVENUE



REV-997 CT APP (12-88)

ASSESSMENT NOTICE

71790771526000522308

CIRCUIT CITY STORES IN
9950 MAYLAND DR
RICHMOND VA 23233

NOTICE#:..... 00256030
DATE OF NOTICE:..... 01/15/2009
ACCOUNT ID:..... 6171-019
TAX PERIOD ENDING:..... 02/2006
TAX TYPE:..... FOREIGN FRANCHISE
PERIOD DUE DATE:..... 06/15/2006
RECEIVED DATE:..... 12/15/2006

ASSESSMENT FOR TAX PERIOD ENDING: 02/2006

TAX ASSESSMENT AMOUNT: 5,316.00 PLUS INTEREST ON ASSESSED TAX

THE BANKRUPTCY CODE, 11 U.S.C. §362(b)(9)(D), PERMITS THE ISSUANCE OF A TAX ASSESSMENT AND/OR A NOTICE AND DEMAND FOR PAYMENT. PRE-PETITION LIABILITIES DO NOT HAVE TO BE PAID. TAX LIABILITIES FOR PERIODS AFTER THE BANKRUPTCY FILING DATE MUST BE PAID.

TO FORMALLY CONTEST THIS ASSESSMENT, A PETITION FOR REASSESSMENT, ALONG WITH A COPY OF THIS NOTICE OF ASSESSMENT, MUST BE FILED ON OR BEFORE 04/15/2009. PETITIONS, SIGNED BY A CORPORATE OFFICER, MAY BE FILED ONLINE AT WWW.BOARDOFAPPEALS.STATE.PA.US OR
MAILED TO: BOARD OF APPEALS
PO BOX 281021
HARRISBURG PA 17128-1021

PERIOD SUMMARY FOR TAX TYPE: FOREIGN FRANCHISE

	LIABILITY	PAYMENTS/CREDITS	BALANCE
TAX	385,982.00	380,666.00	5,316.00
INTEREST*	1,020.00	0.00	1,020.00
PENALTY			
OTHER/MISC			
TOTAL DUE			<u>6,336.00</u>

*INCLUDES INTEREST AS OF 01/25/2009

SEE REVERSE SIDE FOR MORE INFORMATION

DETACH AT PERFORATION

CORP TAX

BUREAU OF CORPORATION TAX

REV-997 11-07

TAXPAYER NAME:..... CIRCUIT CITY STORES IN
NOTICE NUMBER:..... 00256030
NOTICE DATE:..... 01/15/2009
ACCOUNT ID:..... 6171-019
TAX PERIOD:..... 02/2006
TAX TYPE:..... FOREIGN FRANCHISE
TOTAL DUE:..... 6,336.00

PAYMENT
AMOUNT:



MAKE CHECK OR MONEY ORDER PAYABLE TO: PA DEPT. OF REVENUE

DO NOT WRITE IN THIS SPACE

00213161710190000000200602003000256030000009

NOTICE # - System assigned number unique to this notice. Reference this number on all correspondence and payment inquiries.

DATE OF NOTICE - Print date of this notice.

ACCOUNT ID - Seven digit account number assigned by the Department of Revenue. Reference this number on all correspondence and payment inquiries.

TAX PERIOD ENDING - End date associated with the tax period on this notice.

TAX TYPE - Specific tax type associated with this notice (i.e. capital stock, foreign franchise, etc.).

PERIOD DUE DATE - Due date for the filing of the tax report and start date for interest on late payments and credit transfers.

RECEIVED DATE - The date the tax report for the period specified was received.

TAX ASSESSMENT AMOUNT - Total tax liability assessed by this notice. Interest is assessed on the amount of interest that accrues until the tax liability is paid.

PENALTY ASSESSMENT AMOUNT - Total penalty assessed by this notice.

PERIOD SUMMARY - This section provides a summary of liabilities, payments/credits and balances due for the tax type and tax period on this notice.

TAX - Tax due for the tax type and tax period specified on this notice.

INTEREST - Interest due the Commonwealth is calculated at a daily rate on late payments or credit transfers into a tax period. In addition, forecasted interest has been calculated on unpaid tax balances to the date identified on the face page of this notice.

***Interest will continue to accrue until the balance is paid.**

Interest rates - 1982: 20%; 1983: 16%; 1984: 11%; 1985: 13%; 1986: 10%; 1987: 9%; 1988-1991: 11%; 1992: 9%; 1993-1994: 7%; 1995-1998: 9%; 1999: 7%; 2000: 8%; 2001: 19%; 2002: 6%; 2003: 5%; 2004: 4%; 2005: 5%; 2006: 7%; 2007: 8% 2008: 7% and 2009: 5%

PENALTY - Amount calculated for failure to file the report by the due date. Penalty for a late report is 10% of the first \$1,000 of tax, 5% of the next \$4,000 of tax and 1% for additional tax amounts over \$5,000.

OTHER/MISC - Includes legal fees, lien fees, bad check/bad EFT fees and retaliatory fees.

TOTAL DUE - Total amount due for the tax type and tax period specified on this notice. **Unpaid balances will reduce or eliminate any future refund.**

Payments of \$20,000 or more must be remitted by Electronic Funds Transfer (EFT). Failure to make a payment by an approved method may result in the imposition of a 3% penalty of the face amount up to \$500. Taxpayers must register to participate in this program. Register online through the Electronic Tax Information and Data Exchange System (e-TIDES) at www.etides.state.pa.us.

If your case has been placed with a collection agency you may be subject to additional fees for collection costs. Under Act 40 of 2005, additional collection costs, including but not limited to fees of up to 29% of the amount due and attorney fees incurred in securing payment, may be imposed on any liability not paid prior to referral to a collection agency or contract counsel.

IF YOU WISH TO TRANSFER AVAILABLE CREDIT IN YOUR ACCOUNT TO SATISFY ANY UNPAID BALANCES DUE, CONTACT THE BUREAU OF CORPORATION TAXES ACCOUNTING DIVISION AT (717) 705-6225 OR FAX YOUR REQUEST TO (717) 705-6227. ALL FAXED REQUESTS MUST BE ON COMPANY LETTERHEAD SIGNED BY AN OFFICER OF THE CORPORATION.

PAYMENTS

COUPON - IF PAYING BY CHECK REMIT PAYMENT USING THE COUPON ATTACHED TO THIS NOTICE. MAKE CHECK PAYABLE TO **PA DEPT OF REVENUE** AND SUBMIT PAYMENT TO:

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
BUREAU OF CORPORATION TAXES
P O BOX 280427
HARRISBURG PA 17128-0427



William H. Ryan, Jr.
Acting Attorney General

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

IN RE:)	Bankruptcy Case No. 08-35653 (KRH)
)	
CIRCUIT CITY STORES, INC., et al)	
Debtors)	Chapter 11
)	
)	Jointly Administered
)	

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the within ***Response to the Liquidating Trusts Eighteenth Omnibus Objection to Claims filed by Taxing Authorities*** as served upon the following this 29th day of March, 2011 via First Class Mail:

Jeffrey N. Pomerantz
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., Suite 1100
Los Angeles, CA 90067

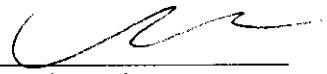
Lynn L. Tavenner
Tavenner & Beran, PLC
20 North Eighth Street, Second Floor
Richmond, VA 23219

Robert J. Feinstein
Pachulski Stang Ziehl & Jones LLP
780 Third Ave. 36th Floor
New York, NY 10017

Respectfully submitted,

WILLIAM H. RYAN, JR.
ACTING ATTORNEY GENERAL

By: _____


Robert C. Edmundson
Senior Deputy Attorney General
Office of Attorney General
Manor Complex
564 Forbes Avenue
Pittsburgh, PA 15219
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

IN RE:)	Bankruptcy Case No. 08-35653 (KRH)
)	
CIRCUIT CITY STORES, INC., et al)	
Debtors)	Chapter 11
)	
)	Jointly Administered
_____)	

ORDER

AND NOW, this _____ day of _____, 2011, it is hereby ORDERED that the claim filed by the Commonwealth of Pennsylvania, Pennsylvania Department of Revenue at claim no. 13033 which asserts a priority claim of \$6,266.00 and an unsecured claim of \$303.00 is allowed

Kevin R. Hunnekens
United States Bankruptcy Judge



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL

March 29, 2011

**Financial Enforcement Section
5th Floor, Manor Complex
564 Forbes Avenue
Pittsburgh, Pa 15219
(412) 565-2575
FAX: (412) 565-3023**

United States Bankruptcy Court
Eastern District of Virginia
701 East Broad Street, Suite 4000
Richmond, VA 23219

**Re: Circuit City Stores, Inc.
Bankruptcy Case No. 08-35653 (KRH)
Chapter 11**

Dear Sir or Madam:

Enclosed please find a *Response by the Commonwealth of Pennsylvania, Pennsylvania Department of Revenue to the Liquidating Trusts Eighteenth Omnibus Objection to Claims Filed by Taxing Authorities* to be filed in the Eastern District Bankruptcy Court, Richmond, Virginia.

I have enclosed an extra copy to be time stamped by your office along with a return pre-paid envelope.

Thank you for your courtesy and attention to this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Robert C. Edmundson'.

Robert C. Edmundson
Senior Deputy Attorney General

RCE:bh
Enc.
cc: Jeffrey N. Pomerantz
Lynn Tavenner
Robert J. Feinstein